

REMARKS

I. Introduction

Claims 1-3 and 5-23 are pending in the application. In the Office Action dated May 18, 2007, the Examiner rejected claims 1-3 and 5-23 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Pat. No. 5,101,353 ("Lupien").

II. Interview Summary

The undersigned and Jordan Newmark, a representative of the assignee, held a telephone interview with the Examiner on June 19, 2007. The Examiner is thanked for the courtesy extended during the interview. Claims 1 and 21 were discussed, along with Lupien, as well as a general overview of types of trading systems. At the conclusion of the interview, the Examiner indicated that he was favorably disposed toward allowing at least amended claims 1 and 21.

III. Rejection Under 35 U.S.C. §103(a) based on Lupien

CLAIM 1: Applicants note that amended claim 1 relates to a method of trading products in an automated trading system where an electronic order is received at the system by a participant, an initial portion of the electronic order is automatically executed against an order on the electronic book and a percentage of a first remaining portion of the electronic order is then automatically executed against the participant.

As discussed with the Examiner, Lupien fails to teach or suggest routing a first remaining portion of an order to the participant who submitted the order and then automatically executing a percentage of the first portion against the participant, as claimed by Applicants. In fact, Lupien teaches away from these steps. As seen in Lupien, for example at Col. 14, lines 32-36, the remainder left over after a partially executed order is held (if the order is partially executed) or merged with previously split orders (if a partially matched order is rejected). Thus, Lupien not only fails to teach routing a remaining portion of an order to a market participant, let alone routing a remaining portion of a partially executed order to the participant who had sent in the order, but also teaches: (1) holding onto that remaining portion of the order for later execution and/or (2) merging previously split orders if a match is rejected.

The recited elements of claim 1 allow a market participant who sends in an order to participate in the order flow, thus providing an incentive to the market participant to submit orders to the automated execution system. For at least the reasons set forth, Applicants submit that claim 1 distinguishes over the cited art. Claims 3 and 6-9 are dependent claims; therefore their allowability follows from the allowability of independent claim 1. Reconsideration and allowance are respectfully requested.

CLAIM 10: Amended claim 10 recites a method of providing participation in an automated execution system, where an electronic order for an option contract submitted by a participant is automatically routed to an automated execution system, automatically routed to a book process subsystem where it is executed in order priority against a book order, and where a first remaining portion of the electronic order is automatically assigned to the participant. As discussed with reference to claim 1, Lupien lacks at least the step of automatically assigning a first remaining portion of the electronic order to the participant that submitted the order. Accordingly, Applicants submit that amended claim 10 is allowable over the cited art. Claims 11-16 are dependent claims and are thus allowable for at least the same reasons as provided for independent claim 10. Reconsideration and allowance are respectfully requested.

CLAIM 17: Claim 17 recites a method of trading a product on an automated execution system. Claim 17 includes several features similar to that of claim 1, where an order received from a firm participant is automatically executed against an order on the electronic book and a predetermined portion of the remainder is automatically routed to and automatically executed against that firm participant. Accordingly, Applicants submit that claim 17 is allowable for at least the same reasons as discussed with respect to claim 1. Claims 18-20 are dependent claims, therefore their allowability directly follows from the allowability of independent claim 17. Reconsideration and allowance are respectfully requested.

CLAIM 21: Amended claim 21 recites a system for trading products, where the system includes an order routing system for automatically routing an electronic order for a product submitted by a firm participant, a book process subsystem for automatically allocating in order priority at least a portion of the electronic order against an electronic book and a firm participation subsystem for automatically determining if the participant

is participating in the electronic order and, if so, automatically allocating a predetermined percentage of a contra-side of a remaining portion of the electronic order to the firm participant irrespective of broker review. As noted in the discussion above, Lupien lacks any teaching or suggestion of a system that routes (automatically or otherwise) a remainder of an order traded against an electronic book to a particular market participant. Thus, Lupien completely lacks and, as also noted previously, teaches away from a firm participation subsystem as claimed. Claims 22-23 are dependent claims and are therefore allowable for at least the same reasons as for independent claim 21. Reconsideration and allowance is respectfully requested.

IV. Conclusion

In view of the foregoing amendments to the claims and remarks, Applicants submit that the pending claims are in condition for allowance. Claims 2-5 have been cancelled to expedite allowance of the remaining claims. Applicants reserve the right to refile the cancelled claims in a continuation application. Reconsideration is therefore respectfully requested. If there are any questions concerning this Amendment, the Examiner is invited to phone the undersigned attorney at (312) 321-7732.

Respectfully submitted,

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